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97TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 97-685

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COMPLETED
ORIGINAL

UNITED STATES CAPITOL GROUNDS

JULY 29, 1982.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HOWARD, from the Committee on Public Works and Transportation, submitted the following

REPORT

[To accompany H.R. 6786]

[Including cost estimate of the Congressional Budget Office]

The Committee on Public Works and Transportation, to whom was referred the bill (H.R. 6786) to amend Public Law 96-432 relating to the United States Capitol Grounds to authorize additional funds for the acquisition of certain property for addition to the United States Capitol Grounds, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

Public Law 96-432, approved October 10, 1980, authorized the Architect of the Capitol, under the jurisdiction of the House Office Building Commission, to acquire on behalf of the United States for addition to the United States Capitol Grounds, properties located on the southern fringes of Capitol Hill. There was authorized to be appropriated to the Architect of the Capitol $11,500,000 to carry out the purposes of the Act. Public Law 97-12, approved June 5, 1981, appropriated $11,500,000 to carry out the provisions of Public Law 96-432.

Public Law 96-432 authorized $3,125,000 for the acquisition of Square 693 South, property bounded by Ivy, Canal and E Streets, and New Jersey Avenue, S.E., consisting of 18 lots totalling approximately 62,544 square feet. In addition, $7,235,000 was authorized for the acquisition of the District of Columbia's Redevelopment Land Agency (RLA) properties, more particularly described as Lot 49 in Square 582 and Lot 70 in Square 640. These amounts, plus $1,140,000 for contingencies, formed the basis for the original authorization and appropriation request of $11,500,000.

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With the approval of the Chairman of the House Office Building Commission, the District of Columbia Government's offer to sell the "RLA" properties for $7,235,000 was accepted on June 18, 1981, and the property was transferred to the United States at that price on December 3, 1981.

The property located in Square 693 South was initially appraised during April 1979 on behalf of the Government by a disinterested appraiser who set its then current fair market value at $3,125,000. More recent appraisals of the property located in Square 693 South obtained during the Summer of 1981, and prepared by disinterested, independent appraisers, revealed a dramatic appreciation in the value of this parcel. The Architect of the Capitol stated this increase was as a result of the unanticipated boom in office space development in the District of Columbia. The lower of the two appraisals, completed in September 1981, places a value of $6,600,000 on the land, while the higher, completed in August, is for $7,195,652. Concurrently, the owners of Square 693 South had the property appraised for even higher values.

Notwithstanding the apparent shortfall in funds that remained available in the appropriation after payment of the $7,235,000 purchase price to the District of Columbia Government for the "RLA" properties, the Architect of the Capitol commenced negotiations with the owners of the property located in Square 693 South. A conditional agreement, to become operative only if and when necessary legislation providing for increased authorization and appropriations is enacted and providing that no legal liability on the part of the Government for any payment thereunder shall arise until such legislation is adopted, was reached. The agreement, which was drafted by the Architect of the Capitol, in coordination with counsel from the Department of Justice and the General Accounting Office, called for a purchase price of $8,000,000 for the entire property located in Square 693 South. Since only $4,000,000 remained available in the original appropriation, the owners of the property agreed to settle immediately on one-half of the property for that amount, the precise lots to be determined by negotiation. The remainder of the property was offered to the Government for an additional $4,000,000, plus interest at 15 percent based on Moody's AAA bond rating, calculated to the date of settlement. The House Office Building Commission granted its approval of this arrangement and the agreement was consummated January 14, 1982.

The Architect of the Capitol stated this arrangement has the effect of vesting immediate title to one-half of the property in the United States, thus preventing the construction of the privately-planned office building project on the site. It also results in the total price for the land being frozen at $8,000,000. Further, the owners agreed, in the event legislation raising the authorized limit of cost and providing required appropriations for the purchase of the second half is not enacted, to waive and release the Government from any claim for severance damages that may be occasioned by the acquisition of only a portion of the entire tract.

On February 3, 1982, settlement was held on the purchase of approximately one-half of Square 693 South.

The Architect of the Capitol states that approximately $4,500,000 in additional funding will be required to complete the purchase, includ-

ing interest, for purchase of the remaining one-half of property located in Square 693 South.

Compliance With Clause 2(l) of Rule XI of the Rules of the House of Representatives

(1) With reference to clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives, no separate hearings were held on the subject matter of this legislation by the Subcommittee on Oversight and Review. However, the Subcommittee on Public Buildings and Grounds held hearings on this subject matter which resulted in the reported bill.

(2) With reference to clause 2(l)(3)(B) of rule XI of the Rules of the House of Representatives the bill, as reported, does not provide new budget authority or increased tax expenditures.

(3) With reference to clause 2(l)(3)(C) of rule XI of the Rules of the House of Representatives, the Committee has received a report prepared by the Congressional Budget Office under section 403 of the Congressional Budget Act. The report is as follows:

U.S. Congress,
Congressional Budget Office,
Washington, D.C., July 29, 1982.

Hon. James J. Howard,
Chairman, Committee on Public Works and Transportation, Rayburn House Office Building, Washington, D.C.

Dear Mr. Chairman: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 6786, a bill to amend Public Law 96-432 relating to the United States Capitol Grounds to authorize additional funds for the acquisition of certain property for addition to the United States Capitol Grounds.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

Alice M. Rivlin,
Director.

Congressional Budget Office—Cost Estimate

July 29, 1982.

1. Bill number: H.R. 6786.
2. Bill title: A bill to amend Public Law 96-432 relating to the United States Capitol Grounds to authorize additional funds for the acquisition of certain property for addition to the United States Capitol Grounds.
3. Bill status: As ordered reported by the House Committee on Public Works and Transportation, July 28, 1982.
4. Bill purpose: This bill authorizes the appropriation of $4.5 million to the Architect of the Capitol in fiscal year 1983, for the purpose of acquiring certain property for addition to the United States Capitol Grounds.

5. Cost estimate:

	millions
Authorization level:	
Fiscal year:	
1983	$4.5
1984	----
1985	----
1986	----
1987	----
Estimated outlays:	
Fiscal year:	
1983	$4.5
1984	----
1985	----
1986	----
1987	----

The costs of this bill fall within budget function 800.

6. Basis of estimate: This estimate assumes that the amount authorized will be appropriated. Negotiations for the purchase of a specific parcel are underway and transfer of the property is expected soon after the funds become available.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Judith L. Walker.

10. Estimate approved by:

JAMES L. BLUM,
Assistant Director for Budget Analysis.

(4) With reference to clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee has not received a report from the Committee on Government Operations pertaining to this subject matter.

(5) With reference to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the Committee makes the following statement in regard to the inflationary impact of the reported bill:

The enactment of this legislation will have no inflationary impact on the prices and costs in the operation of the national economy.

COST OF LEGISLATION

Rule XIII7 of the Rules of the House of Representatives requires a statement of the estimated costs to the United States which would be incurred in carrying out H.R. 6786, as reported, in fiscal year 1983 and each of the following 5 years. The Committee estimate of these costs in terms of authorizations contained in the bill, is $4,500,000. The Committee agrees with the estimates of outlays contained in the report of the Congressional Budget Office.

COMMITTEE ACTION AND VOTE

The Committee in compliance with rule XI 2(l)(B), the majority of the Committee having actually been present, reports favorably the bill, H.R. 6786. The bill was ordered reported by a voice vote.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 7 OF THE ACT OF OCTOBER 10, 1980

AN ACT To amend the Act of July 31, 1946, as amended, relating to the United States Capitol Grounds, and for other purposes

* * * * * * *

SEC. 7. (a) The Architect of the Capitol, under the direction of the House Office Building Commission, is hereby authorized to acquire, on behalf of the United States, by purchase, condemnation, transfer, or otherwise, for addition to the United States Capitol Grounds, all publicly or privately owned property contained in lot 49 in square 582; lot 70 in square 640; and lots 1, 2, 67, 79, 80, 800, 801, 807, 814 through 822, and 834 in square 693 in the District of Columbia (including all alleys or parts of alleys and streets within the lotlines and curblines surrounding such real property): *Provided*, That upon the acquisition of any such real property by the Architect of the Capitol on behalf of the United States, such property shall be subject to the provisions of the Act of July 31, 1946 (60 Stat. 718), as amended in the same manner and to the same extent as all other areas comprising the United States Capitol Grounds.

(b) For the purposes of this section the properties authorized to be acquired hereunder, shall be deemed to extend to the outer face of the curbs of the squares in which they are located.

(c) There is hereby authorized to be appropriated to the Architect of the Capitol for the fiscal year ending September 30, 1981, the sum of $11,500,000 for the purpose of carrying out the provisions of this section, said appropriation to remain available until expended. *There is authorized to be appropriated to the Architect of the Capitol for fiscal years beginning after September 30, 1982, the additional sum of $4,500,000 for the purpose of carrying out this section, and any amount appropriated pursuant to this sentence shall remain available until expended.*

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